

Panama Canal Fireside Chat - 2/1/78 [2]

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Secretary Vance

Per Secretary Vance

--To start with the second paragraph is to begin with a point which is too defensive...and a non-issue. We need to make a positive case for the treaties. ✓

--On page 10, at the bottom, going into that sort of detail about the estimates for defending the treaty raises all sorts of exciting questions -- but they're not those that we want people to focus upon. ✓

--Quoting the last three pages from a letter by somebody else who is not an authority that the opponents will accept is a rather weak conclusion for the speech.

In general comment, Secretary Vance has no major objections to the speech draft, but he does not consider it as positive a presentation as could be made. He suggests that the President look at Draft A of the State Department, which makes many of the points, but puts them in a more positive framework. (These were sent to Fallows yesterday....which apparently Secretary Vance asked be shown to you.)

The State Department draft incorporates on page 11 your point about the protection of U.S. workers.

attached

PANAMA CANAL SPEECH

Good evening.

For seventy-five years, we have had a treaty which protected our right to use the Panama Canal.

For fourteen years, under four Presidents, two of them Democrats and two Republicans, our nation has been trying to come to a new agreement with Panama over the future of the Canal -- a better agreement that would protect our future as we have protected our past.

Now the job is almost done. Last summer, our negotiators agreed on two new treaties, which General Torrijos of Panama and I signed last fall. They need only the approval of the Senate to be final.

These treaties are backed by every living ex-President and Secretary of State. They are backed by every member of the Joint Chiefs of Staff, by thoughtful people of both political parties, by the people of Panama, and by the vast majority of Americans who have dealings with Latin America.

A growing number of Senators have studied them very carefully. Many have gone to Panama to see the Canal and to talk to Panamanian leaders.

As a result, more and more Senators, of both parties, are announcing their support for the Treaties. They are doing so because they see what is best for our nation. For our security. And for our economy.

Many people, before they learned the facts of the matter, have had the impression that the Treaties represent a weakening of the United States, and a retreat from world leadership.

That impression is wrong. The most important reason to ratify the Treaties is that they strengthen our position in the world. The Treaties are supported by our friends around the world -- including the great bulk of world opinion. It is no accident that they are opposed by America's enemies in Latin America and elsewhere -- those who would profit from disorder in Panama and discord between us and our neighbors.

Rather than creating a power vacuum in Latin America, the treaties will increase our nation's influence in this hemisphere.

They will remove a major source of anti-American feeling and bring us closer to our friends.

Let me tell each of you listening and watching tonight how the treaties will help strengthen our security and protect our economic stake in the Canal. For I have found that, when people have heard the full terms of these new agreements, they are usually convinced that the national interest of our country demands that we approve them.

Our most important interest in the Canal is to be able to use it. To make sure that we can always use it, we must have the right to defend it.

However many U.S. soldiers were needed, I would not hesitate to send them to Panama -- if that were necessary to keep the Canal open.

The Treaties let me do that, and they give that right to every future American President. This right was reaffirmed, in plain language, in a joint statement of understanding between our two governments last October.

The Treaties do more: they also reduce the small chance that it would ever become necessary to send our troops on such a mission. They would enlist the government and people of Panama in a partnership with us to protect the Canal.

The Panama Canal was built and operated under the terms of a treaty three-quarters of a century old. Panamanians have considered that treaty unfair to them -- even though they have faithfully obeyed it.

Twice their dissatisfaction has boiled over into violence. There was rioting in Panama in 1959, and again in 1964. Three American soldiers and 21 Panamanians lost their lives, and President Johnson considered that matters had gone far enough.

After consulting with former President Truman and Eisenhower, he committed this country to begin work on a modern treaty with the Republic of Panama.

The result of those long years of work is now before the Senate: a treaty covering the operation of the Canal

for the rest of this century, and a second treaty guaranteeing its neutrality forever.

The first treaty deals with the main cause of Panamanian discontent -- the existence of a 10-mile-wide zone, administered by a foreign power, right through the middle of their country.

We don't need such a zone, any more than we needed a 10-mile-wide strip through Canada when we recently concluded an agreement with that country for a XX-mile international pipeline.

The new treaty gives us what we do need, though -- the right to use the Canal, the right to keep it open and secure, and the right to station troops in Panama for the rest of the century. Our right to defend the Canal was reinforced in the Joint Statement of Understanding reached by the governments of Panama and the United States last October.

The treaty also permits us to set up a new agency of the U.S. Government to run the Canal, so as to assure United States control of its operations for the rest of the century.

Panamanians will participate with us in the new agency, and will play an increasingly important role in running the Canal through the lifetime of the treaty.

They will also profit from the Canal's operations. In simple terms, the more money the Canal takes in, the more Panama will get.

By giving Panama an important stake in the Canal's defense and operations, the new treaty changes her from a passive and sometimes hostile bystander into an active, interested partner, with her own interest -- parallel to our own -- in protecting the Canal.

Thus, the Treaties give us the unquestioned right to defend the Canal and to keep it open. And they give the Panamanians a stake in an efficient and open Canal. But we face a third question, as well: in time of war and military need, when we must be able to move our warships quickly, how can we be sure that they will be able to jump the line of waiting

vessels and get through the Canal without a fatal delay?

We can be sure by ratifying the new treaties.

The treaty on neutrality guarantees us the right to "expeditious passage". To make sure there could be no possible disagreement, the Joint Statement makes it clear that we have the right to go to the head of the line.

I'd like to read you the exact language. The statement says that our right to expeditious transit, and I quote, "is intended, and it shall be so interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go the head of the line of vessels in order to transit the Canal rapidly."

7 That language is simple and clear.

We'll have the same right to use the Canal that we've had since the day it opened. And we need that right.

Because we have a strong economic as well as defense interest in the Canal.

American businessmen want to know that the Canal will remain open for their goods. American farmers want to continue to send their grain through the Canal. Most of our nation's grain exports are shipped from Gulf Coast ports -- and almost all of our grain going to the Far East passes through the Canal.

Will the new Treaties protect this economic stake by helping keep the Canal open, and by allowing for the efficient future operation of the Canal, at a reasonable cost?

They will.

The fact that Panama will get substantial revenues from the Canal tolls is an added guarantee that, even if the present government in Panama someday changes, a new government would want to keep the Canal open and operating efficiently.

The Canal's continued operation is even more important to Panama than it is to us.

Much of Panama's economy is based directly or indirectly on the Canal. Panama would be no more likely to close down the Canal than we would be to close down our Interstate highway system.

By the same token, the surest guarantee that Panama will keep the Canal tolls at reasonable levels is the market system, since much of the freight that goes through the Canal would take other routes -- for example, railroads and trucks across the United States -- if the Panamanians raised the tolls too high.

Of course, the Canal must be more than open to shipping at reasonable cost. Its operations must also be well managed. As Americans leave over the next 22 years, where will the Panamanians find the technicians needed to run the Canal?

The answer is that about 75% of the employees who keep the Canal open today are Panamanian. That percentage will go up steadily as we train Panamanians over the rest of this century to take over the top posts.

As most Senators who have visited Panama know, there are many skilled, educated Panamanians who will be perfectly capable of managing the Canal when that time comes.

As for the Americans who work on the Canal, their rights will be carefully protected. It is important to note that the labor unions which represent these American workers support the new Treaties.

We also may have a future interest in a new sea-level canal. We agree in the Treaties that if we decide to build a sea-level canal, we will build it in Panama. The

Panamanians agree that if they want to have such a canal built, they will give us first rights.

Some opponents of the Treaties are concerned that this takes away our right to build the canal in some other country.

Let's look at the facts.

The question of a sea-level canal has been studied over and over, from the time before the present Canal was built, up through President Johnson's administration. Every study has reached the same conclusion: technically the best place to build a sea-level canal -- and the least expensive place -- is in Panama.

I don't know whether we'll decide, in the future, that we need a new canal. But we need to protect our right to choose. And the new treaties reserve the only logical site -- Panama -- for the United States, rather than any other power, if we decide to go ahead.

This provision is not to our disadvantage, but a clear advantage which protects our best interests.

A final economic question needs to be addressed.

Are we paying Panama to take the Canal back? Will the American taxpayer have to foot a new bill?

The answer is no.

Payments -- both to the United States and to Panama -- will come out of the fees charged to the users of the Canal. The ~~T~~reaties require no payments of tax dollars from the US Treasury to Panama, either now or in the future.

We have agreed to ask Congress for certain loans and guarantees to Panama. These will be used primarily to finance US trade and US investment in Panama. They are not grants. They must be paid back to us.

I hope that this answers the questions you might have about our security rights and about the economic costs and advantages of the new Treaties.

such questions
At the beginning, I had¹ myself. Any of us would,
when we consider such an important issue. That is why I
ordered a^{full} study of the Canal question soon after my election,
and why we made sure that we negotiated
Treaties which would answer such concerns.

There are two objections that I have not yet addressed.

¶ Neither one concerns the text of the new Treaties.

¶ Both are often raised by critics of the Treaties.

¶ And both are simply inaccurate.

This first is about ownership of the Canal. It is
summarized in a catch phrase:

"The canal is ours, we built it, we bought
it, and we shouldn't give
it away."

The simple answer is: the Canal is not "ours" to give
away.

We bought Alaska from the Russians, and no one has ever disputed our title to that land. But we didn't buy the Canal Zone, and we have never owned it.

From the beginning we made an annual payment to Panama for the use of their territory. You don't pay rent on property you own.

What we have under the old treaty are certain rights in the Canal Zone which the United States can exercise "as if it were sovereign." The Zone has never been anything but Panamanian territory.

What we did get from Panaman was exactly the same thing we need now -- not ownership of the Canal, but the right to use it and defend it.

This is all we need. To try to assert /^{jurisdiction} over 500 square miles deep in the heart of Central America would only inflame our relations with Panama and endanger the Canal's future.

Second, some who oppose the new treaties have suggested that we negotiated under pressure and that we have lost our national will.

I don't think those people understand our national mood. It is precisely because we are strong and confident again as a nation that we are ready to approve these new treaties.

The treaties are not a withdrawal under pressure. They are a step forward, to help secure our future. It is no service to America to argue that change is weakness. Change for the better -- as in these treaties -- is strength.

We are ready to accept an arrangement that is fair to both nations, because it is in our interest as well as theirs.

We have not been pushed into the new treaties. They were reached calmly, without haste. There have been

no major disruptions in Panama during the entire fourteen years of the negotiations.

Both sides have negotiated in good faith, taking the time required.

Fourteen years is no rush to judgment.

General Torrijos submitted the treaties to a vote of his people, which was monitored by the United States and others. They gave the treaties their strong support.

These agreements will last.

* * *

We are proud of our achievement in building the Canal. In that sense, the Canal will always be ours -- a triumphant statement of the boundless energy with which America burst upon the 20th Century. That will always be a part of our national heritage.

And we can be proud of these new treaties as well.

They reassert to all the world that the Canal is important to us and that we will defend it.

They strengthen our position in the world.

They provide for the future security of the Canal.

And they prove once again that we still have the same foresight and will to change that we had when we built the Canal.

"We cannot avoid meeting great issues," said the Canal's builder, Teddy Roosevelt. "All that we can determine for ourselves is whether we shall meet them well or ill."

One of those great issues is upon us now.

I trust that we shall meet this great issue well.

FALLOWS (✓)

THE WHITE HOUSE

WASHINGTON

January 31, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS *Ji*

SUBJECT: Panama Canal Speech

Here are the explanations for my suggested changes:

1) Although your original phrasing is technically correct, it suggests -- to those who don't know the history -- that we somehow made the Treaty up by ourselves, or that the Panamanians never ratified it, which of course they did. The rephrasing gets across the same point about the circumstances of the signing, without leaving the wrong impression. ✓

2) To establish, from the beginning, your pride in the Canal and your general confident view of the negotiations, you could insert here two sentences from an earlier draft:

"The Canal can lift ships from one great ocean to another, over the spine of our two continents. *no*

"Mountains were moved in its building; disease was conquered; the world was brought closer together.

"We Americans are..."

Of the several inserts I propose, this is the one I feel least strongly about. ✓

3) Style. ✓

4) Style. ✓

5) Pat Caddell has emphasized that one of the most persuasive points in favor of the Treaties is the continuity of Presidential support. You cannot gracefully come out and say, "I have taken an oath to defend the national security, so you can be sure these Treaties protect our well-being," but you can underline the Presidential continuity by inserting this sentence at the beginning of the paragraph: ✓

"In 1964, after consulting with former Presidents Truman and Eisenhower, President Johnson committed our nation to work towards a new treaty with the Republic of Panama. Last summer..."

6) Sounds longer. ✓

7) Since the Joint Chiefs are such powerful symbols for the audience we are trying to reach, perhaps you can prolong their appearance on stage by mentioning them by name. It would read: ✓

"...the Joint Chiefs of Staff -- General George Brown, the Chairman, General Bernard Rogers of the Army, Admiral James Holloway of the Navy, General David Jones of the Air Force, General Lewis Wilson of the Marines -- responsible men..."

8) I vaguely remember a quote of John Kennedy's to the effect that "The test of a great nation is not how it treats other great powers, but how it treats small nations." That might be appropriate here if I can find it, as I will try to do.

9) Style. ✓

10) After these long citations, in language not everyone will understand, I think you need a summing-up sentence like this:

"What this means is that we can take whatever military actions we see fit to make sure that the Canal always remains open." ✓

11) Style. ✓

12) Why not make this more pointed by saying:

"...better option than sending our sons and grandsons to fight in the jungles of Panama." ✓

13) "Deeply concerned" suggests the opposite of what you mean. I think you need a word like "hostile," "irritated," "resentful," et cetera. ✓

14) Caddell says that a remarkable number of people -- about 20 per cent of the total -- say, verbatim, "We bought it, we paid for it, it's ours," when asked about the Canal. He thinks, and I agree, that you should confront that directly, by saying: ✓

"Another question is, why should we give away the Panama Canal? As many people put it, 'we bought it, we paid for it, it's ours.'"

15) Let me make a last pitch for a line from a previous draft that I thought illustrated our point vividly. You could insert at 15 these lines:

"We don't need ownership of that strip of land, any more than we needed to own a strip of land through Canada when we recently agreed to build an international gas line. The new Treaties give us what we do need -- not ownership of the Canal, but the right to use it."

16) More accurate, I think. ✓

17) Style. ✓

18) I thought this point was stronger before. I recommend replacing the bracketed part with:

"This question has been studied over and over for nearly a hundred years, from before the present Canal was built, up through President Johnson's administration. And every study has reached the same conclusion: that the best place to build a sea-level Canal is Panama."

19) For the same reason, I propose substituting what was there before. What bothers me about the present phrasing is that it doesn't explain why the current Canal would suddenly become unusable. I recommend instead:

"I don't know whether we'll decide, in the future, that we need a new Canal. But we need to protect our right to choose. And the new Treaties reserve the only logical site -- Panama -- for the United States."

"That means that no outsiders -- possibly unfriendly -- could bid to parallel or bypass the US-Panama Canal, without our express consent. This is a clear advantage of the Treaties, which protects our best interests."

20) Again, I thought a passage from an earlier draft made the point in a vivid and memorable way. I recommend inserting at 20:

"Much of her economy flows directly or indirectly from the Canal. Panama would be no more likely to close down the Canal than we would be to close the Interstate highway system."

Having said all this, I should add that, with a good delivery, I think the speech will go over very well.

Penultimate Draft
21

*For PERSONAL Jim Fallows
SUGGESTIONS.
DO NOT MAKE ANY
COPIES.*

1/31/78(6)

*Return by
4:00 p.m. today*

Seventy-five years ago, our nation signed a
treaty which gave us rights to build a canal across
Panama, ~~and~~ to take the historic step of joining the

Atlantic and Pacific oceans. Although the treaty was

drafted here in our country, and was ~~neither~~ seen nor

① signed by ^{had seen it,} any Panamanian ^{signed by a French intermediary before} the results of the agreement

have been of great benefit to the people of Panama,

to ourselves, and to other nations of the world who

navigate the high seas.

Contrary to some claims and beliefs, we did not
buy the Panama Canal Zone. We did not pay for it.

We did not acquire sovereignty over it. We agreed to

pay Panama a fee each year for the right to use the

Zone, and we gained the right to build, operate and to

defend the Canal.

The building of the Canal was one of the greatest engineering feats of history. Although massive in construction, it was relatively simple in design, and it has been reliable and efficient in operation. ^② We Americans are justly and deeply proud of this great achievement.

^③ The Canal has ~~also~~ been a source of pride to the people of Panama -- but also a source of some continuing discontent. Because we controlled a ten-mile-wide strip of land across the heart of Panama, and because ^④ they felt the original terms of the agreement were [considered by them to be] unfair and highly favorable to the United States, the people of Panama have never been satisfied with the treaty.

^⑤ Last summer, after 14 years of negotiation -- under two Democratic Presidents and two Republican Presidents --

we reached an ~~agere~~ment that is fair and beneficial to both countries. The United States Senate is now debating whether this agreement should be ratified.

Throughout the negotiations, we were determined that our national security interests would be protected; that the Canal would always be open, neutral, and available to ships of all nations; that in time of need or emergency our ships would have the right to go to the head of the line for priority passage through the Canal; and that ~~our~~ military forces would have the permanent right to defend the Canal if it should ever be in danger.

The new Treaties meet all of these requirements.

Let me outline the terms of the agreement:

⑥

There are two Treaties, one covering the
rest
[remaining 22 years] of this century, and the other
guaranteeing the openness and neutrality of the Canal
after the year 1999.

For the rest of this century we will operate
the Canal jointly with the Panamanians, under policies
set by a nine-person board of directors. Five members
will be from the United States, and four from Panama.
Within the area of the present Canal Zone, we have the
right to select whatever lands and waters our military
and civilian forces need to maintain, operate, and
defend the Canal.

About 75 percent of those who now maintain and
operate the Canal are Panamanians; over the next 22 years
as we manage the Canal together, this percentage is
expected to increase. The Americans who work on the

Canal will have their rights of employment, promotion, and retirement carefully protected. It is important to note that the labor unions which represent these American workers support the new Treaties.

It is not true that we are paying Panama to take the Canal. We will share with Panama some of the fees paid by shippers who use the Canal. As in the past, the Canal should continue to be self-supporting.

This is not a partisan issue. The Treaties are backed by President Ford and by every living former Secretary of State. They are strongly endorsed by our business and professional leaders, and especially by those who recognize the benefits of good will and trade with other nations in this hemisphere. They are endorsed by the Senate leadership, and overwhelmingly by the Senate Foreign Relations Committee, which ^{this} ~~last~~

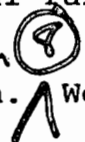
week moved us closer to ratification. And the Treaties are supported by every member of the Joint Chiefs of Staff, ⁷ the top military leaders of the United States Army, Navy, Air Force and Marines -- responsible men whose life's work is the defense of this nation and the preservation of our security.

^{Treaties}
They are opposed by some enemies of the United States in Latin America, who would like to see disorder in Panama and a disruption of our political, economic and military alliances with our friends in Central and South America and in the Caribbean.

I know that the Treaties also have been opposed by many Americans. Much -- too much -- of that opposition is based on misunderstanding and misinformation. I have learned that when the full terms of the agreement

are known, most people are convinced that the national interests of our country will be best served by ratifying the agreement.

Tonight I want to state the facts, answer the most serious questions, and tell you the reasons I feel that the ¹Treaties should be approved.

The most important reason -- the only reason -- to ratify the Treaties is that they are in our highest national interest, and will strengthen our position in the world. Our trade opportunities will be improved. We will demonstrate that as a large and powerful nation we are able to deal fairly and honorably with a proud but smaller, ^{sovereign} nation.  We will be honoring our commitment to all nations of the world that the Panama Canal will be open and available for use by their ships -- at a

reasonable and competitive cost -- both now and in the future.

Let me answer specifically the most common questions about the Treaties.

⑨ ^{Will} ~~Does~~ our nation have the right to protect and defend the Canal against armed attack or other actions which threaten the security of the Canal or of ships going through it?

The answer is yes, and is contained in both Treaties and in the Statement of Understanding between the leaders of our two nations.

The first Treaty says: "The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each party shall

act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it."

The Neutrality Treaty says: "The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral."

The Statement of Understanding says: "Under (the Neutrality Treaty) Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with

their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently will have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal."

(10) → We can take whatever military action is necessary to make sure that the canal always remains open and safe.
Of course, this does not give the United States

the right to intervene in the internal affairs of Panama, nor ~~shall~~ ^{will, (11)} our military action be directed against the territorial integrity or political independence of Panama.

Military experts disagree on how many troops it would take to ward off an attack. Estimates range from 50,000 to more than 100,000, but I would not hesitate to deploy whatever armed forces are necessary to defend the Canal.

I have no doubt that even in long and protracted combat we could defend the Panama Canal. But even if the Panamanian armed forces joined with us as brothers against a common enemy, there is a better option than war in the jungles of Panama.

(12)

We would serve our interests better by implementing the new Treaties, an action that will help to avoid any attack on the Panama Canal.

What we want is the permanent right to use the Canal -- and we can defend this right best through these Treaties -- through a real cooperation with Panama. The citizens of Panama and their government will be overwhelmingly in support of this new partnership, and the Neutrality Treaty will be signed by many other nations.

The new Treaties will naturally change Panama from a passive and sometimes [deeply concerned] bystander into an active and interested partner. The agreement leads to cooperation, not confrontation.

Another question is: Why should we give away the Panama Canal Zone, which many people think we own?

I must repeat an earlier and very important point: We do not own the Panama Canal Zone -- we have never owned it. We have only had the right to use it.

The Canal Zone can not be compared with United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, and it is an integral part of the United States.

From the beginning we have paid rent to Panama to use the land. You do not pay rent on your own land. The Canal Zone has always been Panamian^{on} territory. The U.S. Supreme Court and previous American Presidents have acknowledged Panama's sovereignty over the Canal Zone. We cannot give back land we have never owned.

(15)

There is another question: Can our ships, in time of need or emergency, get through the Canal immediately, instead of waiting in line?

The Treaties answer that as clearly as possible, by guaranteeing that our ships will have "expeditious transit" through the Canal. To make sure there could be no possible disagreement about what "expeditious transit" means, the joint statement says that

expeditious transit, and I quote, "is intended . . . to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

Will the Treaties affect our standing in Latin America -- will they create a "power vacuum," which our enemies will fill?

In fact, the Treaties will increase our nation's influence in this hemisphere.

Rather than giving our enemies an opportunity to exploit mistrust and disagreement, the Treaties will remove a major source of anti-American feeling.

The new agreement has already provided vivid proof to the people of this hemisphere that a new ^{era} ~~ear~~ of friendship and cooperation is beginning, and that the last remnant of alleged American colonialism ^{is being} [has been] removed.

16 Last fall I met individually with the leaders of 19 ¹⁷ ~~other~~ countries in this hemisphere. There is a new sense of equality, a new sense of trust, a new sense of mutual respect that exist because of the Panama Canal Treaties. This opens up a new opportunity for us, in good will, trade, jobs, exports, and political cooperation.

If the Treaties should ~~not~~ be rejected, this would all be lost, and disappointment and despair among our good neighbors would make us worse off than had we never begun the negotiations at all.

Agitators and dissident groups know full well that their best opportunity to gain influence would come through disruption of our friendly relations with Panama and the other nations of the Western hemisphere.

In the peaceful struggle against alien ideologies like communism, these Treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

(18)

What if a new sea-level canal is built in the future? [For more than a hundred years, studies have shown that the best site for a possible sea-level canal would be through the present territory of the Republic of Panama. During the past decade an extensive study by the United States government again confirmed this fact.]

The Treaties say that if we want to build a canal, we will build it in Panama -- and if a canal is to be built in Panama, we will have the right to participate in the project.

(19) [This is a clear benefit to us, for it ensures that ten or twenty years from now, no unfriendly but wealthy power will be able to bid with the Panamanians to build a sea-level canal, bypass the existing Canal, perhaps leaving that other nation with the only usable waterway through the Isthmus.]

Are we paying Panama to take the Canal?

We are not.

The United States' original financial investment in the Canal was about \$387 million. Since then we

have received, in fees from the Canal, about \$? million. Any payments to Panama will come from ships which use the Canal -- paid on a normal commercial fee basis. Not one dollar of American tax money will be paid.

What about the stability and the capability of the Panamanian government? Do the people themselves support the new agreement?

The present leader of Panama has been in office for more than nine years. Democratic elections will be held this August to choose the members of the Panamanian ^{an Assembly.} ~~Congress~~. In the past, regimes have changed in Panama -- but for 75 years, no Panamanian government has wanted to close the Canal. Panama wants the Canal open and neutral -- perhaps even more than we do.

The Canal's continued operation ^{is very} ~~may be~~ important to us, but it is much more than that to Panama.

To Panama, it is crucial.

^{major} The ⁽²⁰⁾ threat of closing the Canal comes, not from any government of Panama, but from misguided dissidents who may be dissatisfied by the terms of the old Treaty.

In an open and free referendum last October which was monitored by the Organization of American States, the people of Panama gave the new Treaties their overwhelming support.

There is a final question, about the deeper meaning of the Treaties themselves -- to us and to Panama.

Note: Punctuation and Spacing of Ellipses in Quotes from McCullough are Technically Correct; Please do not change

- 20 -

David McCullough, author of "The Path Between Two Seas", wrote me a letter about the Panama Canal Treaties. Let me read part of his letter:

"The canal is something we made and have looked after these many years; it is 'ours' in that sense, which is very different from just ownership. . . .

"So when we talk of the canal, whether we are old, young, for or against the treaties, we are talking about very elemental feelings about our own strengths

"Still . . . we want, all of us, a more humane and stable world. We believe in good will, as well as strength. . . .

"This . . . is something we do because we know it is right. This is not merely the surest way to 'SAVE OUR CANAL', it is the strong, positive act of a

still-confident, still-creative, still-purposeful
people. . . .

"This . . . can become a source of national
pride and self-respect in much the way building the
canal was. It is the spirit in which we act that
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"But were he to endorse the treaties, as I am quite sure he would, it would be mainly because he would see the decision as one by which we are demonstrating the kind of power we wish to be. For Roosevelt the canal was a gateway to the very different and uncertain new world of the new twentieth century, a world in which the United States had no choice but to play a major part.

"'We cannot avoid meeting great issues,' Theodore Roosevelt said. 'All that we can determine for ourselves is whether we shall meet them well or ill.' . . .

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Frank Moore

- 10 Line 14. from 50,000 to more than 100,000, and I would not ✓
- 12 Line 3. bystander into an active and interested partner. A partner whose self-interest is served by a successfully operated canal. ✓
- 13 Line 10. immediately, instead of waiting in line as they now do? no ✓
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"Path between the Seas (we think) ✓

Penultimate Draft
21

FRANK MOORE
FOR PERSONAL
SUGGESTIONS.
DO NOT MAKE ANY
COPIES.
1/31/78(6)
Return by
4:00 p.m. today

Seventy-five years ago, our nation signed a treaty which gave us rights to build a canal across Panama, ~~and~~ to take the historic step of joining the Atlantic and Pacific oceans. Although the treaty was drafted here in our country, and was neither seen nor signed by any Panamanian, the results of the agreement have been of great benefit to the people of Panama, to ourselves, and to other nations of the world who navigate the high seas.

Contrary to some claims and beliefs, we did not buy the Panama Canal Zone. We did not pay for it. We did not acquire sovereignty over it. We agreed to pay Panama a fee each year for the right to use the Zone, and we gained the right to build, operate and to defend the Canal.

The building of the Canal was one of the greatest engineering feats of history. Although massive in construction, it was relatively simple in design, and it has been reliable and efficient in operation. We Americans are justly and deeply proud of this great achievement.

The Canal has also been a source of pride to the people of Panama -- but also a source of some continuing discontent. Because we controlled a ten-mile-wide strip of land across the heart of Panama and because original terms of the agreement were considered by them to be unfair and highly favorable to the United States, the people of Panama have never been satisfied with the treaty.

Last summer, after 14 years of negotiation -- under two Democratic Presidents and two Republican Presidents --

we reached an agreement that is fair and beneficial

to both countries. The United States Senate ^{will soon be} ~~is now~~

debating whether this agreement should be ratified.

Throughout the negotiations, we were determined that our national security interests would be protected; that the Canal would always be open, neutral, and available to ships of all nations; that in time of need or emergency our ships would have the right to go to the head of the line for priority passage through the Canal; and that ~~our~~ military forces would have the permanent right to defend the Canal if it should ever be in danger.

The new Treaties meet all of these requirements.

Let me outline the terms of the agreement:

There are two Treaties, one covering the remaining 22 years of this century, and the other guaranteeing the openness and neutrality of the Canal after the year 1999.

For the rest of this century we will operate the Canal jointly with the Panamanians, under policies set by a nine-person board of directors. Five members will be from the United States, and four from Panama. Within the area of the present Canal Zone, we have the right to select whatever lands and waters our military and civilian forces need to maintain, operate, and defend the Canal.

About 75 percent of those who now maintain and operate the Canal are Panamanians; over the next 22 years as we manage the Canal together, this percentage is expected to increase. The Americans who work on the

Canal will have their rights of employment, promotion, and retirement carefully protected. It is important to note that the labor unions which represent these American workers support the new Treaties.

It is not true that we are paying Panama to take the Canal. We will share with Panama some of the fees paid by shippers who use the Canal. As in the past, the Canal should continue to be self-supporting.

This is not a partisan issue. The Treaties are backed by President Ford and by every living former Secretary of State. They are strongly endorsed by our business and professional leaders, and especially by those who recognize the benefits of good will and trade with other nations in this hemisphere. They are endorsed by the Senate leadership, and overwhelmingly by the Senate Foreign Relations Committee, which ~~last~~ ^{this}

week moved us closer to ratification. And the Treaties are supported by every member of the Joint Chiefs of Staff, the top military leaders of the United States Army, Navy, Air Force and Marines -- responsible men whose life's work is the defense of this nation and the preservation of our security.

Treaties
They^A are opposed by some enemies of the United States in Latin America, who would like to see disorder in Panama and a disruption of our political, economic and military alliances with our friends in Central and South America and in the Caribbean.

I know that the Treaties also have been opposed by many Americans. Much -- too much -- of that opposition is based on misunderstanding and misinformation. I have learned that when the full terms of the agreement

are known, most people are convinced that the national interests of our country will be best served by ratifying the agreement.

Tonight I want to state the facts, answer the most serious questions, and tell you the reasons I feel that the ^tTreaties should be approved.

The most important reason -- the only reason -- to ratify the Treaties is that they are in our highest national interest, and will strengthen our position in the world. Our trade opportunities will be improved. We will demonstrate that as a large and powerful nation we are able to deal fairly and honorably with a proud but smaller ^{sovereign} nation. We will be honoring our commitment to all nations of the world that the Panama Canal will be open and available for use by their ships -- at a

reasonable and competitive cost -- both now and in the future.

Let me answer specifically the most common questions about the Treaties.

Does our nation have the right to protect and defend the Canal against armed attack or other actions which threaten the security of the Canal or of ships going through it?

The answer is yes, and is contained in both Treaties and in the Statement of Understanding between the leaders of our two nations.

The first Treaty says: "The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each party shall

act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it."

The Neutrality Treaty says: "The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral."

The Statement of Understanding says: "Under (the Neutrality Treaty) Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with

their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently will have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal."

Of course, this does not give the United States the right to intervene in the internal affairs of Panama, nor shall our military action be directed against the territorial integrity or political independence of Panama.

Military experts disagree on how many troops it would take to ward off an attack. Estimates range from 50,000 to more than 100,000, ^{and} but I would not hesitate to deploy whatever armed forces are necessary to defend the Canal.

I have no doubt that even in long and protracted combat we could defend the Panama Canal. But even if the Panamanian armed forces joined with us as brothers against a common enemy, there is a better option than war in the jungles of Panama.

We would serve our interests better by implementing the new Treaties, an action that will help to avoid any attack on the Panama Canal.

What we want is the permanent right to use the Canal -- and we can defend this right best through these Treaties -- through a real cooperation with Panama. The citizens of Panama and their government will be overwhelmingly in support of this new partnership, and the Neutrality Treaty will be signed by many other nations.

The new Treaties will naturally change Panama from a passive and sometimes deeply concerned bystander into an active and interested partner. The agreement leads to cooperation, not confrontation.

X A partner to the

Another question is: Why should we give away the Panama Canal Zone, which many people think we own?

I must repeat an earlier and very important point: We do not own the Panama Canal Zone -- we have never owned it. We have only had the right to use it.

The Canal Zone can not be compared with United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, and it is an integral part of the United States.

** A partner who is self interested is served by a successful operator Canal.*

From the beginning we have paid rent to Panama to use the land. You do not pay rent on your own land. The Canal Zone has always been Panamian^{on} territory. The U.S. Supreme Court and previous American Presidents have acknowledged Panama's sovereignty over the Canal Zone. We cannot give back land we have never owned.

There is another question: Can our ships, in time of need or emergency, get through the Canal immediately, instead of waiting in line? *AS THY NOW LO!*

The Treaties answer that as clearly as possible, by guaranteeing that our ships will have "expeditious transit" through the Canal. To make sure there could be no possible disagreement about what "expeditious transit" means, the joint statement says that

expeditious transit, and I quote, "is intended . . . to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

Will the Treaties affect our standing in Latin America -- will they create a "power vacuum," which our enemies will fill?

In fact, the Treaties will increase our nation's influence in this hemisphere.

Rather than giving our enemies an opportunity to exploit mistrust and disagreement, the Treaties will remove a major source of anti-American feeling.

The new agreement has already provided vivid proof to the people of this hemisphere that a new ^{era} ~~ear~~ of friendship and cooperation is beginning, and that the last remnant of alleged American colonialism has been removed.

Last fall I met individually with the leaders of 19 other countries in this hemisphere. There is a new sense of equality, a new sense of trust, a new sense of mutual respect that exist because of the Panama Canal Treaties. This opens up a new opportunity for us, in good will, trade, jobs, exports, and political cooperation.

If the Treaties should ~~not~~ be rejected, this would all be lost, and disappointment and despair among our good neighbors would make us worse off than had we never begun the negotiations at all.

Agitators and dissident groups know full well that their best opportunity to gain influence would come through disruption of our friendly relations with Panama and the other nations of the Western hemisphere.

In the peaceful struggle against alien ideologies like communism, these Treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

What if a new sea-level canal is built in the future? For more than a hundred years, studies have shown that the best site for a possible sea-level canal would be through the present territory of the Republic of Panama. During the past decade an extensive study by the United States government again confirmed this fact.

The Treaties say that if we want to build a canal, we will build it in Panama -- and if a canal is to be built in Panama, we will have the right to participate in the project.

This is a clear benefit to us, for it ensures that ten or twenty years from now, no unfriendly but wealthy power will be able to bid with the Panamanians to build a sea-level canal, bypass the existing Canal, perhaps leaving that other nation with the only usable waterway through the Isthmus.

Are we paying Panama to take the Canal?

We are not.

The United States' original financial investment in the Canal was about \$387 million. Since then we

have received, in fees from the Canal, about \$? million. Any payments to Panama will come from ships which use the Canal -- paid on a normal commercial fee basis. Not one dollar of American tax money will be paid.

What about the stability and the capability of the Panamanian government? Do the people themselves support the new agreement?

The present leader of Panama has been in office for more than nine years. Democratic elections will be held this August to choose the members of the ^{an Assembly.} Panamian ~~Congress~~. In the past, regimes have changed in Panama -- but for 75 years, no Panamanian government has wanted to close the Canal. Panama wants the Canal open and neutral -- perhaps even more than we do.

The Canal's continued operation ^{is very} ~~may be~~ important to us, but it is much more than that to Panama.

To Panama, it is crucial.

The ^{major} threat of closing the Canal comes, not from any government of Panama, but from misguided dissidents who may be dissatisfied by the terms of the old Treaty.

In an open and free referendum last October which was monitored by the Organization of American States, the people of Panama gave the new Treaties their overwhelming support.

There is a final question, about the deeper meaning of the Treaties themselves -- to us and to Panama.

Note: Punctuation and Spacing of Ellipses in Quotes from McCullough are Technically Correct; Please do not change

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David McCullough, author of "The Path Between
~~Two~~^{He ?} Seas", wrote me a letter about the Panama Canal
Treaties. Let me read part of his letter:

"The canal is something we made and have looked
after these many years; it is 'ours' in that sense,
which is very different from just ownership. . . .

"So when we talk of the canal, whether we are
old, young, for or against the treaties, we are talking
about very elemental feelings about our own strengths

"Still . . . we want, all of us, a more humane
and stable world. We believe in good will, as well as
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"This . . . is something we do because we know
it is right. This is not merely the surest way to
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still-confident, still-creative, still-purposeful
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2619 Borgquist
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1/31/78(6)

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from
←
p. 2.
(a better opening)

However,
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#

I have the
feeling the quote
is too long - that
you ought to end
more with your feelings
about justice & decency -
of the American role
in the world.

Linowitz

C
/

SOL M. LINOWITZ

ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

January 31, 1978

Dear Mr. President:

I think David McCullough's quotations are excellent, but I can't help feeling that the American people would want the President, in his own words, to give them the inspiration they need.

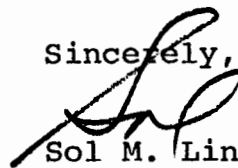
I would not presume to suggest what those words should be, but I do think they might strike this note:

~~Do these new Treaties reflect weakness or strength on the part of the United States? I have no question as to the answer.~~ ^{the} A great and strong nation understands that time brings changes and that adapting to change means increased strength. The new Treaties are a measure of our greatness as a nation. For they demonstrate that America is big enough and strong enough and mature enough to resolve an issue such as this one in an atmosphere of mutual trust and respect; they demonstrate that America is strong enough to take a stand for what is decent and right - and wise enough to base its decisions not on what may have been appropriate in the past, but on what is right for the future.

The Canal will always be ours - ours in the sense that it represents an achievement of which we will always be proud - ours because in the eyes of the world it will always represent American ingenuity, resourcefulness and dedication at their finest.

I have no doubt but that if Theodore Roosevelt were alive today he would endorse these Treaties. He would understand that this is the right way to show greatness in today's world. In this historic decision he would see what he described as "the lift towards nobler things which marks a great and generous people". He would be proud of us for proving that we are, indeed, a great and generous people.

Sincerely,



The President
The White House
Washington, D.C. 20500

Penultimate Draft
21

Ambassador Snowitz
for PERSONAL
SUGGESTIONS.

DO NOT MAKE ANY
COPIES.

1/31/78(6)

Return by
4:00 p.m. today

Seventy-five years ago, our nation signed a
treaty which gave us rights to build a canal across
Panama, ~~and~~ to take the historic step of joining the
Atlantic and Pacific oceans. Although the treaty was
drafted here in our country, and was [neither seen nor
signed by any Panamanian, the results of the agreement
have been of great benefit to the people of Panama,
to ourselves, and to other nations of the world who
navigate the high seas.

Contrary to some claims and beliefs, we did not
buy the Panama Canal Zone. [We did not pay for it.]*
We did not acquire sovereignty over it. We agreed to
pay Panama a fee each year for the right to use the
Zone, and we gained the right to build, operate and to
defend the Canal.

* we did pay for some of the land.

The building of the Canal was one of the greatest engineering feats of history. Although massive in construction, it was relatively simple in design, and it has been reliable and efficient in operation. We Americans are justly and deeply proud of this great achievement.

The Canal has also been a source of pride to the people of Panama -- but also a source of some continuing discontent. Because we controlled a ten-mile-wide strip of land across the heart of Panama and because original terms of the agreement were considered by them to be unfair and highly favorable to the United States, the people of Panama have never been satisfied with the treaty. *Secretary of State Hay who signed the treaty for the United States candidly admitted that it was "vastly advantageous to the United States and..... not so advantageous to Panama".*

Last summer, after 14 years of negotiation -- under two Democratic Presidents and two Republican Presidents --

we reached an ~~agreement~~ agreement that is fair and beneficial to both countries. The United States Senate is now debating whether this agreement should be ratified.

Throughout the negotiations, we were determined that our national security interests would be protected; that the Canal would always be open, neutral, and available to ships of all nations; that in time of need or emergency our ships would have the right to go to the head of the line for priority passage through the Canal; and that ~~our~~our military forces would have the permanent right to defend the Canal if it should ever be in danger.

The new Treaties meet all of these requirements.

Let me outline the terms of the agreement:

There are two Treaties, one covering the remaining 22 years of this century, and the other guaranteeing the openness and neutrality of the Canal after the year 1999.

For the rest of this century we will operate the Canal [jointly with the Panamanians,] under policies set by a nine-person board of directors. Five members will be from the United States, and four from Panama.

The "joint" suggestion may be confusing since we'll have responsibility

Within the area of the present Canal Zone, we have the right to select whatever lands and waters our military and civilian forces need to maintain, operate, and defend the Canal.

About 75 percent of those who now maintain and operate the Canal are Panamanians; over the next 22 years as we manage the Canal together, this percentage is expected to increase. The Americans who work on the

Canal will have their rights of employment, promotion,
and retirement carefully protected. It is important
to note that the labor unions which represent these
American workers support the new Treaties.

This is
also
dealt with
on
page
17
infra.
intentional?

It is not true that we are paying Panama to take
the Canal. We will share with Panama some of the fees
paid by shippers who use the Canal. As in the past,
the Canal should continue to be self-supporting.

This is not a partisan issue. The Treaties
are backed by President Ford and by every living former
Secretary of State. They are strongly endorsed by
our business [and] professional ^{and other} leaders, and especially
by those who recognize the benefits of good will and
trade with other nations in this hemisphere. They
are endorsed by the Senate leadership, and overwhelmingly
by the Senate Foreign Relations Committee, which ^{this} ~~last~~

week moved us closer to ratification. And the Treaties are supported by every member of the Joint Chiefs of Staff, the top military leaders of the United States Army, Navy, Air Force and Marines -- responsible men whose life's work is the defense of this nation and the preservation of our security.

Treaties

They^A are opposed by some enemies of the United States in Latin America, who would like to see disorder in Panama and a disruption of our political, economic and military alliances with our friends in Central and South America and in the Caribbean.

I know that the Treaties also have been opposed by many Americans. Much -- too much -- of that opposition is based on misunderstanding and misinformation. I have learned that when the full terms of the agreements

are known, most people are convinced that the national interests of our country will be best served by ratifying the ^{TREATIES} agreement.

Tonight I want to state the facts, answer the most serious questions, and tell you the reasons I feel that the ^TTreaties should be approved.

The most important reason -- the only reason -- to ratify the Treaties is that they are in our highest national interest, and will strengthen our position in the world. Our security interests will be enhanced. Our trade opportunities will be improved.

We will demonstrate that as a large and powerful nation we are able to deal fairly and honorably with a proud but smaller ^{sovereign} nation. We will be honoring our commitment to all nations of the world that the Panama Canal will be open and available for use by their ships -- at a

reasonable and competitive cost -- both now and in the future.

Let me answer specifically the most common questions about the Treaties.

Does our nation have the right to protect and defend the Canal against armed attack or other actions which threaten the security of the Canal or of ships going through it?

The answer is yes, and is contained in both Treaties and in the Statement of Understanding between the leaders of our two nations.

The first Treaty says: "The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each party shall

act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it."

The Neutrality Treaty says: "The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral."

Issued by General Torrigos and me
The Statement of Understanding says: "Under

(the Neutrality Treaty) Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with

their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently will have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal."

Of course, this does not give the United States the right to intervene in the internal affairs of Panama, nor shall our military action be directed against the territorial integrity or political independence of Panama.

Military experts disagree on how many troops ^{against the Canal} it would take to ward off an attack. Estimates range [^] from 50,000 to more than 100,000, but I would not hesitate to deploy whatever armed forces are necessary to defend the Canal.

I have no doubt that even in long and protracted combat we could defend the Panama Canal. But even if the Panamanian armed forces joined with us as brothers against a common enemy, there is a better option than war in the jungles of Panama.

We would serve our interests better by implementing the new Treaties, an action that will help to avoid any attack on the Panama Canal.

What we want is the permanent right to use the Canal -- and we can defend this right best through these Treaties -- through a real cooperation with

Panama. The citizens of Panama and their government have already indicated their overwhelming [will be overwhelmingly in] support of this new partnership,

a protocol to and the Neutrality Treaty will be signed by many other nations, thereby showing their strong ~~disapproval~~ approval.

The new Treaties will naturally change Panama from a passive and sometimes deeply concerned bystander into an active and interested partner. The agreement leads to cooperation, not confrontation.

Another question is: Why should we give away the Panama Canal Zone, which many people think we own?

I must repeat an earlier and very important point: We do not own the Panama Canal Zone -- we have never owned it. We have only had the right to use it.

The Canal Zone can not be compared with United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, and it is an integral part of the United States.

From the beginning we have ^{made an annual payment} [paid rent] to Panama to use the land. You do not pay rent on your own land. The Canal Zone has always been Panamian territory. The U.S. Supreme Court and previous American Presidents have acknowledged Panama's sovereignty over the Canal Zone. We cannot give back land we have never owned.

(It has not been called "rent")

There is another question: Can our ships, in time of need or emergency, get through the Canal immediately, instead of waiting in line?

The Treaties answer that as clearly as possible, by guaranteeing that our ships will ^{"be entitled to transit"} have "expeditious ^{the canal expeditiously"} [transit] through the Canal. To make sure there could be no possible disagreement about what ^{those words} "expeditious transit" means, the joint statement says that

expeditious transit, and I quote, "is intended . . .
to assure the transit of such vessels through the
Canal as quickly as possible, without any impediment,
with expedited treatment, and in case of need or
emergency, to go to the head of the line of vessels
in order to transit the Canal rapidly."

Will the Treaties affect our standing in
Latin America -- will they create a "power vacuum,"
which our enemies will fill?

In fact, the Treaties will increase our nation's
influence in this hemisphere.

Rather than giving our enemies an opportunity
to exploit mistrust and disagreement, the Treaties
will remove a major source of anti-American feeling.

The new agreement has already provided vivid proof to the people of this hemisphere that a new ^{era} ~~ear~~ of friendship and cooperation is beginning, and that ^{what they regard as} the last remnant of alleged American colonialism has been removed.

Last fall I met individually with the leaders of 19 other countries in this hemisphere. There is a new sense of equality, a new sense of trust, a new sense of mutual respect that exist because of the Panama Canal Treaties. This opens up a new opportunity for us, in good will, trade, jobs, exports, and political cooperation.

If the Treaties should ~~not~~ be rejected, this would all be lost, and disappointment and despair among our good neighbors would make us worse off than had we never begun the negotiations at all.

Anti-American

Agitators and dissident groups know full well that their best opportunity to gain influence would come through disruption of our friendly relations with Panama and the other nations of the Western hemisphere.

In the peaceful struggle against alien ideologies like communism, these Treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

What if a new sea-level canal is built in the future? For more than a hundred years, studies have shown that the best site for a possible sea-level canal would be through the present territory of the Republic of Panama. During the past decade an extensive study by the United States government again confirmed this fact.

*I'm not
sure about
this
"hundred
years"*

The Treaties say that if we want to build a ^{such} canal, we will build it in Panama -- and if ^{any} canal is to be built in Panama, we will have the right to participate in the project.

This is a clear benefit to us, for it ensures that ten or twenty years from now, no unfriendly but wealthy power will be able to ^{negotiate} {bid} with the Panamanians to build a sea-level canal, bypass the existing Canal, perhaps leaving that other nation with the only usable waterway through the Isthmus.

See page 5 supra

Are we paying Panama to take the Canal?

We are not.

The United States' original financial investment in the Canal was about \$387 million. Since then we

been repaid 328 million in interest and capital on
[have received, [in fees from the Canal, about that original
\$? million.] Under the new treaty invest-
ment.
[Fees paid by] Any payments to Panama will come
from ships which use the Canal [paid on a normal
commercial fee basis] Not one dollar of American
tax money will be paid.

What about the stability and the capability
of the Panamanian government? Do the people themselves
support the new agreement?

The present leader of Panama has been in office
for more than nine years. Democratic elections will
be held this August to choose the members of the
Panamanian ^{an Assembly.} ~~Congress~~ In the past, regimes have changed
in Panama -- but for 75 years, no Panamanian government
has wanted to close the Canal. Panama wants the Canal
open and neutral -- perhaps even more than we do.

Memo

SOL M. LINOWITZ

January 31, 1978

Dear Mr. President:

These are the facts regarding original construction cost of the Canal and repayment to the U. S. Treasury:

1. Original construction cost -
\$387 million
2. Repaid to Treasury since
1951:

Interest	\$288 million
Capital	40 million
Total	\$328 million
3. Prior to 1951, Canal Company books show another \$320 million as interest payments but upon investigation it is clear that these were used for Canal purposes and not paid into Treasury.



The Canal's continued operation ^{is very} ~~may be~~ important to us, but it is much more than that to Panama.

To Panama, it is crucial.

The ^{major} threat of closing the Canal comes, not from any government of Panama, but from misguided dissidents who may be dissatisfied by the terms of the old Treaty.

In an open and free referendum last October which was monitored by the ^{United Nations} [Organization of American States] the people of Panama gave the new Treaties their overwhelming support.

I was wrong in my recollection the other day on this.

There is a final question, about the deeper meaning of the Treaties themselves -- to us and to Panama.

Note: Punctuation and Spacing of Ellipses in Quotes from McCullough are Technically Correct; Please do not change

- 20 -

David McCullough, author of "The Path Between Two Seas", wrote me a letter about the Panama Canal Treaties. Let me read part of his letter:

"The canal is something we made and have looked after these many years; it is 'ours' in that sense, which is very different from just ownership. . . .

"So when we talk of the canal, whether we are old, young, for or against the treaties, we are talking about very elemental feelings about our own strengths

"Still . . . we want, all of us, a more humane and stable world. We believe in good will, as well as strength. . . .

"This . . . is something we do because we know it is right. This is not merely the surest way to 'SAVE OUR CANAL', it is the strong, positive act of a

still-confident, still-creative, still-purposeful
people. . . .

"This . . . can become a source of national
pride and self-respect in much the way building the
canal was. It is the spirit in which we act that
is so very important. . . .

"I think of what Theodore Roosevelt might say
were he alive today. . . . He saw history itself as
a force, and the history of our own time and the
changes it has brought would not be lost on him. . . .

(C)hange was inevitable, he knew, and necessary.

Change was growth. The true conservative, he once
remarked, keeps his face to the future. . . .

"(I)t is hard to picture him dismissing or
discounting such testimony to the military value of *the*
treaties as voiced by the Joint Chiefs.

"But were he to endorse the treaties, as I am quite sure he would, it would be mainly because he would see the decision as one by which we are demonstrating the kind of power we wish to be. For Roosevelt the canal was a gateway to the very different and uncertain new world of the new twentieth century, a world in which the United States had no choice but to play a major part.

"'We cannot avoid meeting great issues,' Theodore Roosevelt said. 'All that we can determine for ourselves is whether we shall meet them well or ill.' . . .

"The Panama Canal is a vast, heroic expression of that age old desire to bridge the divide and bring people closer together. . . . (T)his too is what the Treaties are all about."

In this historic decision we can sense what
Roosevelt called "the lift toward nobler things which
marks a great and generous people."

#

Draft-6

Seventy-five years ago, our nation signed a treaty which gave us rights to build a canal across Panama -- to take the historic step of joining the Atlantic and Pacific oceans. Although the treaty was drafted here in our country, and was neither seen nor signed by any Panamanian, the results of the agreement have been of great benefit to the people of Panama, to ourselves, and to other nations of the world who navigate the high seas.

Contrary to some claims and beliefs, we did not buy the Panama Canal Zone. We did not pay for it. We did not acquire sovereignty over it. We agreed to pay Panama a fee each year for the right to use the Zone, and we gained the right to build, operate and to defend the Canal.

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we reached an agreement that is fair and beneficial to both countries. The United States Senate is now debating whether this agreement should be ratified.

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This is not a partisan issue. The Treaties are backed by President Ford and by every living former Secretary of State. They are strongly endorsed by our business and professional leaders, and especially by those who recognize the benefits of good will and trade with other nations in this hemisphere. They are endorsed by the Senate leadership, and overwhelmingly by the Senate Foreign Relations Committee, which ^{this} ~~last~~

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Treaties

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I know that the Treaties also have been opposed by many Americans. Much -- too much -- of that opposition is based on misunderstanding and misinformation. I have learned that when the full terms of the agreement

are known, most people are convinced that the national interests of our country will be best served by ratifying the agreement.

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Another question is: Why should we give away the Panama Canal Zone, which many people think we own?

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"'We cannot avoid meeting great issues,' Theodore Roosevelt said. 'All that we can determine for ourselves is whether we shall meet them well or ill.' . . .

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